



IMPERIAL BANK OF CANADA

THIRTY-NINTH
ANNUAL REPORT
PRESENTED TO THE
SHAREHOLDERS
MAY 27, 1914

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Imperial Bank of Canada

Head Office: Toronto

ESTABLISHED 1875

CAPITAL AUTHORIZED	. \$10,000,000.00
CAPITAL PAID UP	. . 7,000,000.00
RESERVE FUND	. . . 7,000,000.00
UNDIVIDED PROFITS	. 1,265,919.12

Thirty-Ninth Annual Report
1914

Imperial Bank of Canada

ESTABLISHED 1875

CAPITAL (AUTHORIZED)	\$10,000,000.00
CAPITAL (PAID UP)	\$7,000,000.00
RESERVE FUND AND UNDIVIDED PROFITS .	\$8,265,919.12

DIRECTORS

D. R. WILKIE.....	PRESIDENT.	
HON. ROBERT JAFFRAY.....	VICE-PRESIDENT.	
WM. RAMSAY of Bowland, Stow, Scotland.	ELIAS ROGERS.	J. KERR OSBORNE
PELEG HOWLAND.	CAWTHRA MULOCK.	HON. RICHARD TURNER, Quebec.
WM. HAMILTON MERRITT, M.D., St. Catharines.	W. J. GAGE.	
J. A. M. AIKINS, K.C., Winnipeg.	E. W. COX.	

HEAD OFFICE, TORONTO

D. R. WILKIE, GENERAL MANAGER.	E. HAY, ASST. GENERAL MANAGER.
W. MOFFAT, CHIEF INSPECTOR.	
A. E. PHIPPS, G. D. BOULTON, R. S. CLARK, INSPECTORS.	
W. S. ELLIOTT, SECRETARY.	

BRANCHES

PROVINCE OF ONTARIO.

TORONTO—

Wellington and Leader Lane (Head Office).....	O. F. RICE.....	Manager.
Yonge and Queen Sts.....	G. G. LEMESURIER.....	Act'g
Yonge and Bloor Sts.....	A. R. MARTIN.....	Ass't
King and York Sts.....	A. R. CAPREOL.....	"
Market Branch.....	J. D. LEWIS.....	"
King and Spadina Ave.....	E. H. ANDERSON.....	"
Bloor and Lansdowne Ave.....	C. S. WATSON.....	"
King and Sherbourne Sts.....	H. C. HOUSTON.....	"
Bathurst and Dupont Sts.....	R. S. GALBRAITH.....	"
Queen St. and Palmerston Ave.....	G. C. FOSTER.....	"
Adelaide and Victoria Sts.....	H. H. MORGAN.....	"
Davisville.....	D. COULSON, Jr.....	Act'g
Dundas and Bloor Sts.....	E. D. GATES.....	"
Queen St. and Roncesvalles Ave.....	H. P. TAYLOR.....	"
Humber Bay.....	G. F. MOSS.....	"
Queen St. and Kingston Rd.....	(Sub-branch to Queen and Roncesvalles)	"
Wellesley-Sherbourne Sts.....	W. GALBRAITH.....	"
AMHERSTBURG.....	F. G. COY.....	"
AURORA.....	C. A. CUDDY.....	"
BELWOOD.....	G. L. ALEXANDER.....	"
BOLTON.....	(Sub-branch to Fergus).	"
BRANTFORD.....	J. F. WARBRICK.....	"
CALEDON EAST.....	H. T. WATT.....	"
COBALT.....	(Sub-branch to Bolton).	"
COCHRANE.....	C. H. LLOYD.....	"
COTTAM.....	C. A. HAMILTON.....	"
ELK LAKE.....	(Sub-branch to Essex).	"
ESSEX.....	J. CAMPION.....	Act'g
FERGUS.....	W. A. CLARK.....	"
FONTHILL.....	E. C. ROBERTS.....	"
FORT WILLIAM.....	F. A. BLACK.....	"
GALT.....	M. COCHRAN.....	"
	W. B. POWELL.....	"

HAMILTON.....	F. S. GLASSCO.....	Manager.
HARROW.....	W. T. CARTHEW.....	"
HUMBERSTONE.....	D. HUGHES.....	"
INGERSOLL.....	C. WHITE.....	"
JORDAN AND VINELAND.....	(Sub-branch to St. Catharines).	"
KENORA.....	D. G. ROY.....	"
LISTOWEL.....	A. F. B. MURRAY.....	"
LONDON.....	A. J. GOODALL.....	"
MARSHVILLE.....	(Sub-branch to Humberstone).	"
NASHVILLE.....	(Sub-branch to Bolton).	"
NEW LISKEARD.....	F. H. HEWSON.....	"
NIAGARA FALLS.....	A. H. MURRAY.....	"
" (UPPER BRIDGE).....		
" SOUTH.....	J. H. ARKELL.....	"
NIAGARA-ON-THE-LAKE.....	H. MACKLEM.....	"
NORTH BAY.....	W. BOURKE.....	"
OTTAWA.....	E. S. HOUSTON.....	"
PALGRAVE.....	(Sub-branch to Bolton).	"
PORT ARTHUR.....	J. F. SCARTH.....	"
PORT COLBORNE.....	J. H. ROLPH.....	"
PRESTON.....	I. K. JOHNSTON.....	"
PORT ROBINSON.....	(Sub-branch to Welland).	"
RIDGEWAY.....	W. H. COLLARD.....	"
SAULT STE. MARIE.....	E. K. BOULTBEE.....	"
" (WEST END).....		
SOUTH PORCUPINE.....	A. H. SEGUIN.....	"
SOUTH WOODSLEE.....	(Sub-branch to Essex).	"
ST. CATHARINES.....		
" (MARKET).....	J. A. FORSTER.....	"
" (EAST END).....		
ST. DAVID'S.....	R. S. FULLER.....	"
ST. THOMAS (EAST END).....	H. W. SCARFF.....	"
" (WEST END).....	R. F. A. GILBERT.....	"
SPARTA.....	F. R. RAMSEY.....	"
THESSALON.....	W. McGUIRE.....	"
THOROLD.....	A. F. ROBERTSON.....	"
TIMMINS.....	K. F. DeLONG.....	"
WELLAND.....	G. C. BROWN.....	"
WINDSOR.....	G. J. LACKNER.....	"
WOODSTOCK.....	H. F. LOWNSBROUGH.....	"

PROVINCE OF QUEBEC.

MONTREAL.....	J. A. RICHARDSON.....	Manager.
" (St. Lawrence).....	E. J. KAY.....	Ass't
" MAISONNEUVE.....	E. L. BROWN.....	"
QUEBEC.....	W. F. ALLOWAY.....	"
" (UPPER TOWN).....	G. F. C. LOVE.....	"
	A. C. SMITH.....	"

PROVINCE OF MANITOBA.

BRANDON.....	M. MORRIS.....	Manager.
PORTAGE LA PRAIRIE.....	W. H. THOMSON.....	"
WINNIPEG.....	N. G. LESLIE.....	"
" (NORTH END).....	J. D. HOOD.....	Ass't
" (Portage Avenue).....	G. D. RITCHIE.....	"
	(Sub-branch to Winnipeg).	

PROVINCE OF SASKATCHEWAN.

BALGONIE.....	(Sub-branch to Regina)	
BROADVIEW.....	F. L. GRABAN.....	Manager.
FORT QU'APPELLE.....	(Sub-branch to Regina).	"
HAGUE.....	G. S. REMPEL.....	"
KANDAHAR.....	(Sub-branch to Wynyard).	"
MOOSE JAW.....	W. R. SCOTT.....	"
NORTH BATTLEFORD.....	H. L. REID.....	"
PRINCE ALBERT.....	H. T. JAFFRAY.....	"
REGINA.....	J. A. WETMORE.....	"
ROSTERN.....	W. M. SELLENS.....	"
SASKATOON.....	A. D. DUNCAN.....	"
WILKIE.....	F. W. SCRIMES.....	"
WYNYARD.....	T. B. BAKER.....	"

PROVINCE OF ALBERTA.

ATHABASCA.....	A. L. SAWLE.....	Manager.
BANFF.....	H. ROBERTS.....	"
CALGARY.....	A. R. B. HEARN.....	"
" (EAST END).....	G. I. B. BELL.....	"
EDMONTON.....	G. R. F. KIRKPATRICK.....	"
" (WEST END).....	W. A. WRIGHT.....	Asst. "
" (NORTH END).....	M. R. HAY.....	"
" SOUTH.....	W. R. SEATLE.....	"
LETHBRIDGE.....	R. G. WILKINSON.....	"
MEDICINE HAT.....	(Sub-branch to Wetaskiwin).	"
MILLET.....	B. E. HOWARD.....	"
REDCLIFF.....	E. J. CASE.....	"
RED DEER.....	H. W. WRIGHT.....	"
WETASKIWIN.....		

PROVINCE OF BRITISH COLUMBIA.

ARROWHEAD.....	(Sub-branch to Revelstoke).	
CHASE.....	(Sub-branch to Kamloops).	
CRANBROOK.....	H. W. SUPPLE.....	Manager.
FERNIE.....	A. M. OWEN.....	"
GOLDEN.....	W. R. GRUBBE.....	"
INVERMERE.....	(Sub-branch to Wilmer).	"
KAMLOOPS.....	J. G. GILLESPIE.....	"
NELSON.....	J. H. D. BENSON.....	"
NATAL.....	C. W. READE.....	"
REVELSTOKE.....	A. B. McCLENEGHAN.....	"
VANCOUVER.....	A. JUKES.....	Ass't
" (Fairview).....	J. WALKER.....	"
" (Hastings and Abbott Sts.).....	J. S. GIBB.....	"
" (Main Street).....	A. R. GREEN.....	"
VICTORIA.....	C. L. GRISDALE.....	"
WILMER.....	J. M. LAY.....	"
	I. C. WEDD.....	"

Imperial Bank of Canada

Agents and Correspondents

CANADA	Bank of Montreal.
GREAT BRITAIN AND IRELAND	Lloyds Bank Limited.
	Manchester and Liverpool District Banking
	Co. Limited.
	The Commercial Bank of Scotland Limited.
FRANCE	Bank of Ireland.
	Crédit Lyonnais.
	Lloyds Bank (France) Ltd., Paris.
GERMANY	Deutsche Bank.
UNITED STATES . .	New York—Bank of the Manhattan
	Company.
	Bank of America.
	Bankers Trust Co.
	National Bank of Commerce.
	National City Bank.
	Merchants National Bank.
	Hanover National Bank.
	BOSTON—National Shawmut Bank.
	BUFFALO—Bank of Buffalo.
	The Marine National Bank.
	CHICAGO—First National Bank.
	Corn Exchange National Bank.
	CLEVELAND—First National Bank.
	DETROIT—First and Old Detroit National
	Bank.
	DULUTH—First National Bank.
	MINNEAPOLIS—First National Bank.
	PHILADELPHIA—Farmers & Mechanics
	National Bank.
	Franklin National Bank.
	Fourth St. National Bank.
	Philadelphia National Bank.
	PITTSBURGH—Bank of Pittsburgh.
	PORTLAND, ORE.—United States National
	Bank.
	SAN FRANCISCO—Wells Fargo Nevada
	National Bank.
	SEATTLE, WASH.—Seattle National Bank.
	SPOKANE—Exchange National Bank.
	ST. PAUL—First National Bank.
CHINA AND JAPAN .	Hong Kong & Shanghai Banking Corporation.
AUSTRALIA	} Union Bank of Australia.
NEW ZEALAND . . .	
TASMANIA	
SANDWICH	
ISLANDS	Yokohama Specie Bank.
SOUTH AFRICA . .	Bank of Hawaii, Limited.
	Standard Bank of South Africa Limited.
INDIA	National Bank of India Ltd.

Imperial Bank of Canada

PROCEEDINGS

OF THE

THIRTY-NINTH ANNUAL MEETING OF THE
SHAREHOLDERS.

*Held at the Banking House of the Institution in Toronto,
on Wednesday, 27th May, 1914, at 12 noon.*

The Thirty-ninth Annual General Meeting of the Imperial Bank of Canada was held in pursuance of the terms of the Charter at the Banking House of the Institution, 27th May, 1914.

There were present, amongst others:—C. M. Gripton (St. Catharines), L. H. Baldwin, J. F. Gillespie (Picton), J. G. Ramsey, Col. D. R. Wilkie, W. J. Gage, Peleg Howland, R. Kerr, Dr. Charles O'Reilly, Dr. W. H. Merritt (St. Catharines), F. J. Harris (Hamilton), J. W. Barry, William Crocker, Hon. Thomas Crawford, A. Foulds, A. C. Morris, J. B. Laidlaw, Walter J. Barr, Elias Rogers, H. Crewe, J. A. Macintosh, J. A. M. Aikins, K.C., M.P. (Winnipeg), Frank E. Macdonald, Aemilius Baldwin, James G. Boyce, John Appleton, A. P. Burritt, G. C. Foster, Mr. Law, Richard Tew, John A. Barker, F. H. Gooch, W. C. Harvey, W. Ramsay, F. A. Prime, Hon. Robt. Jaffray, Rev. T. W. Paterson, D. W. Pews, W. R. Wadsworth, Mr. Robertson, R. W. Thompson, J. Kerr Osborne, E. Hay, James Bicknell, K.C., W. J. Waugh (Hamilton), W. Moffat, A. A. McFall (Bolton), A. Boyle (Niagara Falls, Ont.), J. W. Beaty, G. W. Howland, J. C. Black, George J. Morrow, Edwin Roach, Albert A. Thompson, Judge McIntyre (Whitby),

Imperial Bank of Canada

F. MacPhillips, Major Keefer, D. Noxon, J. Gordon Jones, Cawthra Mulock, W. Gibson Cassels, Col. Sir Henry Pellatt, C.V.O., Josh. C. Moore, G. Tower Fergusson, W. G. More, G. G. LeMesurier, J. K. Fiskien, Victor Ross.

The President, Mr. D. R. Wilkie, in the Chair, having read the notice calling the Meeting, said: Gentlemen—We shall start the proceedings by asking Mr. Hay to act as Secretary of the Meeting. Is that your pleasure? (Carried.)

It was then moved by L. H. Baldwin, seconded by Mr. William Crocker, and adopted, that Mr. W. Gibson Cassels and Mr. A. P. Burritt, be and are hereby appointed Scrutineers.

At the request of the Shareholders the Balance Sheet and Profit and Loss Account in the hands of the Shareholders, were taken as read. The Secretary of the Meeting, at the request of the Chairman, then read the Annual Report as follows:

THE REPORT.

The Directors have much pleasure in submitting to the Shareholders the Thirty-ninth Annual Report and Balance Sheet of the affairs of the Bank as on 30th April, 1914, together with Statement of Profit and Loss Account, showing the result of the operations of the Bank for the year ended on that day.

The net profits of the Bank, after making full provision for all bad and doubtful debts, for interest on bills under discount not yet matured and for payment of all Provincial and Municipal taxes, amounted to..... \$1,236,984.76
being at the rate of 8.30% upon the average paid-up Capital and Reserve Fund.

Imperial Bank of Canada

There was received from Shareholders by way of premium upon New Stock the sum of \$ 211,830.82

(The receipt of this sum was anticipated in 1913 by a charge against Profit and Loss Account to credit of Reserve Account so as to make that account \$7,000,000, and it is now properly re-credited to Profit and Loss Account.)

There was brought from 1913, the balance of Profit and Loss Account. 1,003,988.55

Making a total available Surplus of. \$2,452,804.13

This surplus has been applied as follows:

(a) For Dividends at the rate of 12% per annum amounting to.	\$ 834,783.96
(b) Special contribution to Officers' Pension Fund, By-Law No. 30.	20,000.00
(c) Annual contribution to Officers' Pension and Guarantee Funds.	7,500.00
(d) Provision for depreciation in Securities and for contingencies.	250,000.00
(e) Written off Bank Premises and Furniture Account.	74,601.05
(f) Balance of account carried forward. . . .	1,265,919.12
	<u>\$2,452,804.13</u>

New Branches have been opened during the year:

In Ontario—at Preston, Niagara Falls South, Wellesley and Sherbourne Streets, Toronto, and at Humber Bay.

In Saskatchewan—at Kandahar.

The Branches at Michel, B.C., McLean, Sask., and at St. Roch, in the city of Quebec, have been closed.

Imperial Bank of Canada

It is with the deepest regret that we announce the death of our late colleague, Sir William Whyte, who passed away, after a painful illness, on the 14th April, 1914. Although Sir William Whyte could not be a regular attendant at the meetings of the Board in Toronto, yet his care and watchfulness of the interests of the Bank at Winnipeg and throughout the North-West were of great service to the Bank, and have always been highly appreciated.

It is our opinion that it would be advisable to add to the number of Directors; a By-Law to that end will be presented for your approval, and you will be asked to make suitable provision for the additional member.

Under the Bank Act (1913) you will, for the first time, be called upon to appoint Auditors for the Bank and to fix their remuneration.

The Head Office and Branches of the Bank, now numbering 127, have been carefully inspected during the year, and your Directors have much pleasure in testifying to the faithfulness and efficiency of the staff.

The whole respectfully submitted.

D. R. WILKIE,
President.

Imperial Bank of Canada

PROFIT AND LOSS ACCOUNT

30th APRIL, 1914

Dividend No. 92,
for three months
at the rate of
12% per annum
(paid 1st of Aug-
ust, 1913).....\$207,269.31

Dividend No. 93,
for three months
at the rate of
12% per annum
(paid 1st of No-
vember, 1913).... 208,322.88

Dividend No. 94,
for three months
at the rate of
12% per annum
(paid 1st of Feb-
ruary, 1914)..... 209,315.34

Dividend No. 95,
for three months
at the rate of
12% per annum
(paid 1st of May,
1914)..... 209,876.43

Special Contribution to Offi-
cers' Pension and Guarantee

Fund..... 20,000.00

Annual Contribution to Officers'
Pension and Guarantee Fund. 7,500.00

Provision for depreciation in
Securities and for Contin-
gencies..... 250,000.00

Written off Bank Premises and
Furniture Account..... 74,601.05

Balance of Account carried for-
ward..... 1,265,919.12

\$2,452,804.13

Balance at credit of account
30th April, 1913, brought
forward.....\$1,003,988.55

Profits for the twelve months
ended 30th April, 1914, after
deducting charges of manage-
ment and interest due de-
positors, and after making
full provision for all bad and
doubtful debts and for rebate
on bills under discount..... 1,236,984.76

Amount taken from Profits of
1913 to make Reserve Fund
\$7,000,000, in anticipation of
Premiums on New Capital
Stock since collected..... 211,830.82

\$2,452,804.13

RESERVE FUND.

Balance at Credit of Account.....\$7,000,000.00

D. R. WILKIE,
General Manager.

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THIRTY-NINTH ANNUAL

30th APRIL,

LIABILITIES.

Notes of the Bank in circulation.....	\$ 4,762,347.00
Deposits not bearing interest.....	\$ 9,060,814.12
Deposits bearing interest, including interest accrued to date of Statement.....	49,178,040.42
	58,238,854.54
Balances due to other Banks in Canada.....	169,072.29
Balances due to Banks and Banking Correspondents in United Kingdom and foreign countries.....	41,583.10
Acceptances under Letters of Credit (as per contra) ...	175,599.28
Total Liabilities to the Public.....	\$63,387,456.21
Capital Stock paid in.....	7,000,000.00
Reserve Fund Account.....	\$ 7,000,000.00
Dividend No. 95 (payable 1st May, 1914) for three months, at the rate of 12% per annum.....	209,876.43
Balance of Profit and Loss Account carried forward.....	1,265,919.12
	8,475,795.55

\$78,863,251.76

D. R. WILKIE,
President.

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BALANCE SHEET

1914

ASSETS.

Gold and Silver Coin.....	\$ 1,706,919.61	
Dominion Government Notes.....	11,237,087.00	
		<u>\$12,944,006.61</u>
Deposit with the Minister for the purpose of the Circulation Fund.....		338,220.44
Notes of other Banks.....		452,979.00
Cheques on other Banks.....		2,701,524.12
Balance due by other Banks in Canada.....		894,109.74
Balance due by Banks and Banking Correspondents elsewhere than in Canada.....		<u>6,969,689.25</u>
		<u>\$24,300,529.16</u>
Dominion and Provincial Government Securities, not exceeding market value.....	\$ 603,173.25	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian..	840,081.11	
Railway and other Bonds, Debentures and Stocks, not exceeding market value.....	<u>997,612.97</u>	
		2,440,867.33
Loans to Provincial Governments.....		25,023.55
Loans to Cities, Towns, Municipalities and School Districts.....		3,656,228.38
Call and Short Loans (not exceeding thirty days) in Canada on Bonds, Debentures and Stocks.....		<u>4,050,811.07</u>
		<u>\$34,473,459.49</u>
Other Current Loans and Discounts in Canada (less rebate of interest).....		41,331,017.36
Liabilities of Customers under Letters of Credit (as per contra).....		175,599.28
Overdue Debts (estimated loss provided for).....		52,026.39
Real Estate (other than Bank premises).....		122,817.31
Mortgages on Real Estate sold by the Bank.....		474,834.64
Bank Premises, at not more than cost, less amounts written off.....		<u>2,200,000.00</u>
Other Assets, not included in the foregoing heads.....		<u>33,497.29</u>
		<u><u>\$78,863,251.76</u></u>

E. HAY,
Assistant General Manager.

Imperial Bank of Canada

THE PRESIDENT'S ADDRESS.

THE PRESIDENT.—It is customary, gentlemen, that those who are responsible for the management of the Bank should explain or be ready to explain the Balance Sheet and the Statements and may volunteer remarks upon important matters connected with the business of the Bank, and make reference to the condition of affairs throughout the country. I have prepared a short memorandum which I shall take the liberty of reading to you before moving the adoption of the Report.

I could not, however, enter into an explanation of the year's operations until I had, on behalf of the Board, given expression to our feelings of sorrow at the passing of our late colleague, Sir William Whyte, and had invited you to join in a resolution of sympathy and condolence to Lady Whyte and her children, whose affliction is shared in by many thousands from the Atlantic to the Pacific. Sir William Whyte became a member of the Board on May 23rd, 1906, and, although not a regular attendant at our meetings, was in almost constant attendance at our Winnipeg Branch, always giving the Bank's interests his first consideration. Sir William died at Coronado Beach, in California, on the 14th April, 1914, in the seventy-first year of his age.

You are asked to elect in Sir William Whyte's stead Mr. J. A. M. Aikins, K.C., M.P., of Winnipeg, who from the very start of our business in Manitoba—thirty-four years ago—has been our invaluable legal adviser for that Province.

You are also asked to approve of a By-Law increasing the number of Directors from eleven to twelve. I take this opportunity to say that Mr. Ed. W. Cox, President of the Canada Life Assurance Company, has consented to allow his name to be presented to you for election.

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PROFIT AND LOSS.

The net profits, after all losses have been provided for, are better than we dared look forward to early and late in the year, as one political or financial disturbance followed the other in quick succession. The net return upon our capital—and for this calculation I include the Reserve Fund as part and parcel of our capital—has been at the rate of 8.90% per annum. Under the "Old Style" the rate would appear as 17.80%, and would be calculated upon capital alone, but such a version has in the past misled the critics—our Reserve Fund, to the extent of 66%, represents premiums upon New Issues of Shares paid in by ourselves from time to time, and the remaining 34% is undivided profit put aside during the past 39 years. It cannot be claimed by us, or charged against us, that our profits were realized upon \$7,000,000 fixed capital, instead of upon \$14,000,000 fixed capital and Reserve Fund.

Conditions in Canada and abroad are not too promising, and we have considered it advisable to provide for further possible shrinkages in the value of investments and for contingencies; we have laid aside the sum of \$250,000 to provide for these. Within the past two years stocks and bonds dealt in on the World's Exchanges have depreciated in value considerably. The shrinkage during the past year of the leading financial, industrial and railway securities actively dealt in on the Exchanges of Montreal and Toronto represents no less a sum than \$188,000,000—Canada has borne her full share of this loss.

We have also to regret the delay, the disappointing delay, in the liquidation of the Sovereign Bank; we have thought it well to provide for a possible loss upon advances which we made, in conjunction with other Banks, to enable that Bank to liquidate with open doors, upon securities which at the time were represented to be, and which

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to experts appeared to be, ample to protect the assisting Banks, but a large portion of which are still unrealized.

The writing off of \$74,601.05 from Bank Premises Account is in line with our policy for many years—it is not money lost or given away, but is a wise provision for what may be, sooner or later, actual depreciation in value in that important item of our Assets.

Before I pass from the Profit and Loss Account, let me draw attention to the item credited to Profit and Loss Account, \$211,830.82. This sum was taken from Profit and Loss Account in 1913 to make up Reserve Account to an even \$7,000,000 and in anticipation of Premiums to be received upon subscriptions to new stock—these Premiums have since been paid in, and very properly have been returned to Profit and Loss Account.

The net result is, that, after paying \$834,783.06 in Dividends, writing off \$74,601.05 from Bank Premises Account, contributing \$27,500 to the Bank's Pension and Guarantee Funds, setting aside \$250,000 for possible depreciation in securities and for contingencies, we carry forward a Profit and Loss Account of \$1,265,919.12, as compared with \$1,003,988.55 with which we started the year.

Let us turn to the General Balance Sheet:

NOTE CIRCULATION.

The reduction in this item from \$5,803,794 to \$4,762,347 is the result of shrinkage in trade throughout the country and of the early marketing of last year's grain crops.

DEPOSITS.

Our Deposits, however, show a respectable increase of \$1,436,000.

ASSETS.

On the Assets side of the Balance Sheet you will find that we maintain our policy of keeping substantial Cash

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Reserves, which, with liquid assets that are realizable, irrespective of the condition of trade, represent over 50% of our total liabilities to the public.

LOANS AND DISCOUNTS.

The trade discounts stand at \$41,331,017, as compared with \$40,502,609 in 1913, an increase occasioned, I think, entirely by renewals of loans which, under ordinary circumstances, would have been liquidated.

NEW CAPITAL.

The allotment of new Shares authorized on 5th June, 1912, and which took place on 30th June, 1912, at a premium of 100%, has been entirely taken up and paid for.

SHAREHOLDERS.

Our Shareholders now number 1,729, as compared with 1,586 last year.

STAFF.

The staff of the Bank are 985 in number, an increase of 80 during the year.

PENSION FUND.

It will not be necessary this year to ask you to make any special contribution to the Pension Fund, the income from present investments and the Annual Grant being more than sufficient to provide for all existing pensions.

NEW BRANCHES AND TAXATION.

The contraction of business throughout the Dominion has not encouraged the opening of new Branches. Moreover, the policy on the part of some of the Provinces and Municipalities must tend to discourage expansion.

The annual taxation of Banks by Provinces and Municipalities is ever becoming more burdensome. Since we last met, Provincial taxes have been nearly doubled in British Columbia and have been about trebled in Ontario.

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The Dominion has exclusive legislative authority over banking, the incorporation of Banks and the issuing of paper currency. It also has exclusive rights to raise money by *any* mode or system of taxation. Provincial Legislatures are empowered to levy direct taxation within the Province for Provincial purposes. The Dominion Parliament, for its own uses, has power to duplicate every tax which may be imposed by any Province. If such a power is ever exercised by the Dominion, the consequences to Banks would be serious.

Admitting the authority of the Provincial Legislatures to impose taxation on Banks, there still remains the question as to the extent to which such taxation could be imposed, and it is more than probable that the taxation would be declared unconstitutional, in so far as it might be excessive or hamper the operations of the Banks, created by the Dominion Parliament for the purpose of carrying out the policy of the Dominion Parliament, in providing for and developing the agricultural, manufacturing, mining, lumbering and general interests of the Dominion. It is premature to say that the Provincial and Municipal taxation at present is excessive, but it is unquestionably true that these taxes are already so burdensome as to be a deterrent to the opening of new Branches and to the granting of Banking facilities.

BANK PREMISES.

We have expended in connection with Bank Premises during the year the sum of \$375,000, of which about \$75,000 has been provided from profits of the year. At the moment we have under construction new buildings at Timmins, Thorold, Sparta, and at Yonge and Queen Streets in the city of Toronto. New buildings have been completed during the year at Quebec, Ingersoll, Cochrane and Redcliff.

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Buildings and sites have been purchased at Victoria, B.C., Galt, Belwood, Niagara-on-the-Lake, Preston, Aurora, and in Toronto at Wellesley and Sherbourne Streets, as well as this very building where we are now assembled, No. 30 Wellington Street.

Our holdings of real estate for Bank Premises are all in evidence. We have no inside corporation to which the Bank can dispose of its properties with a view to their disappearance from the Balance Sheet and their lease by the Bank from the same corporation on purchase terms. The adoption of the "new method" would admit of the investment by the Bank of large sums in the purchase or construction of Bank Premises without the fact being made apparent to the Shareholders, the Government or the public, and of the creation of liabilities for corresponding amounts no trace of which could be discovered in the Balance Sheet. It would be equally proper to extend the operations of such a corporation by including in its range of purchases from the Bank (of which it would be an adjunct) such assets as overdue debts, real estate, dead and other undesirable loans, etc., etc., and vitalizing these, through a process of bookkeeping, into lively-looking bonds and debentures of corporations, which would, later on, and until disposed of, make their appearance amongst the liquid Reserves of the Bank.

AUDITORS.

You will be called upon to elect Auditors for the now current year, whose duties are fully described in Section 56 of the Bank Act, Sub-Sections 19, 20, 21, 22, 23, and Section 56A (which were taken as read).

We shall welcome to our confidence those whom you elect, and shall afford them every assistance to perform their very responsible duties.

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HARVEST PROSPECTS.

From Alberta we hear that there has been an increase of 20% to 25% in the acreage under crop. The seed has been put in to the very best advantage, and there has been sufficient rain. It is to be noted that the raising of fall wheat in this Province is on the decline, owing to the greater certainty of a crop from "Marquis" wheat, planted in the spring, and which ripens ten days earlier than the ordinary Red Fife wheat. There is a very large increase in the quantity of live stock, especially in hogs, which have a high-priced market in Edmonton, Calgary and elsewhere in the Province. Prospects are not only very bright, but prices for all kinds of stock are high.

The discovery of oil in this Province is likely to be of great assistance to the Province, introducing, as it is sure to do, large sums of capital, which will be employed in the development of the industry, besides affording a new source of heat, light and power. It is to be hoped that this development will not lead to wild speculation or to frauds, which too often follow upon such discoveries.

In Saskatchewan there is an increase of 150,000 acres in the wheat area, and there is an increase in oats of no less than 300,000 acres. Barley and flax do not show an equal expansion. The cattle industry is satisfactory. Crop conditions generally may be looked upon as most encouraging.

In Manitoba there is no increase in the crop acreage; the quantity stands at about the same—6,300,000 acres, of which half is in wheat, but this acreage is but a very small proportion of the 74,000,000 of acres which, it is estimated, is fit for farm land. Manitoba is now an old-timer. Progress is more striking in regard to the growth of manufacturing industries, the creation of electric energy, to say

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nothing of the great strides made by Winnipeg as an emporium and in attaining to the position of being one of the greatest, if not the greatest, grain centres in the world.

In the Province of Quebec hay and clover are the principal agricultural products; oats follow with a substantial yield. In this Province, as a result of the large amount of Government money—upwards of \$2,000,000—which has been expended in improving the roadways of the Province, the farmer has been helped to market his products, and has been given easy access to financial centres. It is unfortunate that this policy has not been adopted by other Provinces as heartily as it has been in the Province of Quebec. The prospects for an excellent harvest are exceptionally good. The prosperity enjoyed by the agricultural population of Quebec and by the people generally of that Province is the result of industry and thrift on the part of the population rather than of the richness of the soil or of weather conditions. The acreage in Quebec under hay and clover is about 3,000,000; oats claim 1,300,000, with 600,000 devoted to all other kinds of vegetables and grains.

The interests of British Columbia are not so much bound up in agriculture as they are in lumbering, mining and fisheries. These last three furnish 75% of the total amount realized from the various industries. The lumber interests have been sorely tried by the present policy of "Free" lumber, which has almost driven Canadian lumber companies off the plains; the absence of an outside market makes matters so much worse. The lumber interests deserve some efforts on the part of the Dominion Government to find new markets, particularly so in view of the fact that in order to propitiate the interests of other Provinces, the lumber interests of British Columbia have had to suffer. Mining, however, continues prosperous, and the yield from that source was no less than \$30,000,000 during the year

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1913, with fisheries realizing as much as \$14,500,000. The opening of the Panama Canal will be of enormous benefit to British Columbia. I am told that contracts have already been made for the carrying of 15,000,000 feet of lumber from Vancouver to Toronto Bay, at a saving in freight of from three to four dollars per 1,000 feet.

Maritime Provinces.—Although we are not represented in the Maritime Provinces, yet we have had opportunities of obtaining information regarding that section, and are assured that general conditions throughout are better than in any other section of the Dominion. The Steel and Car Industries and factories that have been depending on the West as a market for their output are feeling the depression, but lumbering, fishing and agriculture are prospering, and these, after all, are the backbone of the East. The Fox Industry of Prince Edward Island is the one threatening feature of the situation. Not that it has not brought large sums of money into the Province, but, as it has been wisely said, it is undermining the native thrift for which the Province has always been noted. If the number of foxes increases as rapidly as has been promised by the prospectuses, it will need as much capital to carry on the business as it does to move a good-sized grain crop.

Ontario.—In our own Province the outlook for a good crop is improving, and we can only hope that the results will justify the present expectations. The value of Ontario's agricultural yields last year amounted to \$185,790,341 of the total yield of the Dominion of about \$600,000,000. The condition of live stock remains generally satisfactory, being reported all over Canada as over 90% of the standard of health and perfect state.

POPULATION AND IMMIGRATION.

It is estimated that the population of Canada, as on 31st March, 1914, amounted to 8,075,000, as compared with

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7,758,000 for the corresponding period of 1913. There was an actual addition to the population by immigration of 384,878, of whom 142,622 were British, 107,530 came from the United States, and 134,726 from other countries.

REVENUE AND EXPENDITURE.

There has been a falling off in the revenue of the Dominion for April, 1914, as compared with April, 1913, and for the year which ended 31st March, 1914, there was a falling off as compared with the same period of 1913 from \$168,690,000 to \$162,521,000. The amount realized was, however, not only sufficient to meet all expenditures on Consolidated Fund Account, but furnished \$45,000,000 out of the \$56,000,000 required for capital expenditure. It is gratifying to note that the total imports of the financial year fell short of the previous year by over \$40,000,000, and that the exports of the year exceeded the exports of 1913 by \$38,000,000—the total balance of trade against Canada for the twelve months was only \$172,000,000, as compared with \$300,000,000 for the year ending 31st March, 1913. The adverse balance has been more than provided for by large borrowings abroad on the part of the Provinces, Municipalities, railway companies, etc., and it has not occasioned the slightest strain upon the financial resources of the Dominion.

UNITED STATES.

The amendments to the Banking Laws of the United States and the incorporation of the "Federal Reserve Banks" have already inspired confidence throughout the United States, and have removed for the time being, at any rate, all fears of money stringency, the result of the crop movements, which has more than once intercepted the flow of prosperity. The Federal Reserve Banks will furnish all other Banks who are members of the Reserve Bank System

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with facilities for borrowing on short notice upon such of their assets as consist of "negotiable paper issued or drawn for agricultural, industrial or commercial purposes," and New York and Chicago will no longer be called upon to bear the whole strain and responsibility of East, West, North and South. I have gone carefully over the "Federal Reserve Act," and, although it contains features which might be criticized adversely, yet on the whole it is a great piece of legislation, and has removed many of the dangers which are incidental to the National Bank system, but without leaning in the direction of encouraging unhealthy expansion. It places at the disposal of every section of the community and of every industrial and agricultural centre not only the whole reserves of the district to which they are tributary, but the surplus funds of every other reserve centre can be made available. It comes as close as it can to our Canadian system in providing a flexible currency, and in one respect it is better than our system, in so far that it binds its members together in one helpful, sympathetic body, and provides an emergency currency and emergency capital of great value. The time will come in Canada, and come early, when we will find it advisable, yes, necessary, with our growth and development, to establish a Bank of re-discount under the patronage of the Dominion Government, and with somewhat similar powers to those that have been granted to the reserve Banks of the United States.

Now, gentlemen, before moving the adoption of the Report, I shall be glad to answer any questions that may be put to me in reference to the condition of affairs inside or outside of the Bank.

There being no questions, I shall now move, seconded by Senator Jaffray, that the Report which has been read shall be adopted and printed and circulated among the Shareholders.

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HONOURABLE ROBERT JAFFRAY.—I have much pleasure, gentlemen, in seconding the adoption of the Report. I am sure that I would not be expected to have much to say, following upon the comprehensive and instructive remarks that have fallen from our President, not only as to the affairs of the Bank, but as to the general condition of the country. The \$250,000 which has been set apart is to provide in these unsettled times against possible shrinkage in the value of our assets that may develop during the coming year.

The remarks made by the President as regards provincial and municipal taxation are worthy of attention. People seem to think that by taxing corporations, including Banks, they shift the burden on to those corporations. I think you must all realize that, sooner or later, it must come upon the individual. There is a great cry for more banking facilities, but the way to get these facilities is not to throw obstructions in the flow of banking capital throughout the Dominion, but to encourage the opening of branches, otherwise it is scarcely possible for a new Bank to start out with any chance of success.

I might say that any Shareholder or Director will have himself to blame if he has not the fullest information in regard to the Imperial Bank. I do not think there is any Bank in the country where the Directors and the Shareholders have an equal opportunity to know everything connected with the Bank. Our President takes very good care to report to the Board anything bad or doubtful that may develop from time to time, and we can never say to him: "You should have told us this." He always takes time by the forelock, and is prepared to say to us: "You know all about it." And if we are exceptionally fortunate in our affairs and in the successful conduct of our business, that is due to the admirable management of our President and

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those immediately surrounding him. I have great pleasure in seconding the motion.

THE PRESIDENT.—Well, gentlemen, shall the motion be carried? (Carried unanimously.)

Moved by Mr. Walter J. Barr and seconded by Mr. John B. Laidlaw: "That Mr. R. J. Dilworth, C.A., of Toronto, and Mr. George Hyde, C.A., of Montreal, be appointed to the position of Auditors for the current year."

THE PRESIDENT.—There are no other nominations, gentlemen, but it will be necessary to cast a ballot, so that they may be duly elected. I think Mr. Small, being the first Shareholder to discuss the matter of an outside audit at our annual meetings, should have the honour on this occasion of casting the ballot, if he will be good enough to do so.

The ballot having taken place, the President reported that the Scrutineers declared that Mr. R. J. Dilworth and Mr. George Hyde have been duly elected Auditors of the Bank for the coming year.

MR. J. T. SMALL moved: "That the remuneration of Messrs. R. J. Dilworth and George Hyde as Auditors of the Bank be the sum of five thousand dollars (\$5,000), covering all services, including those of their assistants, until the next Annual Meeting, and that such remuneration be divided between such Auditors in such proportions as shall be mutually agreed between them, or as the Directors may determine, and that such remuneration be, from time to time as the same shall be earned, paid out of the funds of the Bank."

Before resuming my seat, Mr. Chairman, and on behalf of myself and a number of Shareholders whom I represent, I want to express the feeling of satisfaction that I have at the splendid showing that the Bank has made for,

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what we all know to have been, a hard year. The closest attention must have been given to the affairs of the Bank to have brought about the results.

MR. R. CARSWELL.—I have much pleasure in seconding the motion made by Mr. Small, and join in congratulations upon the splendid showing of the Bank.

THE PRESIDENT.—Thank you.

(The motion, having been read, was carried unanimously.)

THE PRESIDENT.—The next order of business is a proposal to increase the number of Directors and make further provision for their remuneration. Our business extends from Quebec to the Pacific Ocean, and it is advisable that our interests should be cared for at distant points by elected Directors. We hope to have Mr. Aikins, one of the best, if not the best man in the North-West for this purpose, as our Director and Representative in Winnipeg. We have the Honourable Richard Turner, who, I regret to say, is unable to be here to-day owing to illness, in Quebec. Our old friend, Mr. William Ramsay of Bowland, is always ready to run up to London or into Edinburgh to further our interests, and he is, moreover, our oldest Director and largest Shareholder. Our resident Directors are insufficient in number, and too much responsibility is thrown upon three or four, and we ask you to add one to our number. The gentleman, Mr. E. W. Cox, who has consented to join the Board is, I think, one of the most desirable men in the community for a position of such responsibility. He not only represents considerable holdings himself, but, through the Canada Life Assurance Company, is largely interested in our welfare. I am sure you will commend our choice.

Moved by Hon. Thomas Crawford and seconded by Mr. J. G. Ramsey: "That By-Law No. 31, as read (increasing the number of Directors to twelve and their remuneration

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to \$16,000), be and the same is hereby approved of and adopted as a By-Law of the Bank, and that the seal of the Bank be attached thereto." (Carried.)

THE PRESIDENT.—I would ask your attention to a proposal which we hope will meet with your approval.

THE REV. T. W. PATERSON.—Mr. Chairman: Although prepared to approve of the By-Law which follows, I have known of contributions being made by financial institutions to objects that could not be called charitable or that Banks should be called upon to recognize. There are occasions and institutions, however, that are very properly entitled to our consideration—hospitals, for example—and, having such in view, I am making the following motion.

Moved by Rev. T. W. Paterson and seconded by Mr. George W. Howland: "That whenever they consider it to be for the advantage or in the interests of the Bank, the Directors have been and shall be authorized to contribute out of the funds of the Bank such sums as they shall see fit, not exceeding in the aggregate in any one year the sum of \$2,500, for public, patriotic, charitable or educational purposes."

THE PRESIDENT.—The limiting of the objects to which this grant is applicable, as suggested by Mr. Paterson, will, I think, do away with any possible objections to it. You may be sure that the Directors are not going to be indiscriminate in their charities, but it is well to place a limit upon their beneficence. (Carried.)

MR. THOMAS LONG.—After congratulating the Directors upon the enlargement of the premises and the suitableness of the chamber for the purposes of the Annual Meeting, and with further congratulations to the Board on the equality of Capital and Rest Accounts, each being \$7,000,000, in addition to another \$1,000,000 at credit of Profit and Loss

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Account, Mr. Long expressed the hope that, in due course, the Directors would feel justified in declaring a bonus in addition to the usual dividends.

Mr. Long then moved: "That the thanks of the Shareholders are due and are hereby tendered to the President, the Vice-President and the Directors of the Bank for their services during the past year," and said: "I consider that the affairs of this Bank are so well managed that it would be very hard to improve upon it, and as long as we have such a Board of Directors and such a staff of officers I do not care whether they have good times in other countries or not. I think that the business of this Bank is in such wise, good hands that we may always look for good results at the end of the year."

DR. CHARLES O'REILLY.—I have very great pleasure in seconding the resolution. I have also the pleasure of saying that I know each one of the Directors personally, and we could not have made a better selection. (Carried.)

THE PRESIDENT.—I thank you for this resolution, and I am sure, from the applause with which it has been received, that it comes from your hearts. We have had, as you know, a rather trying year. We have had troubles within and without the Empire, each one bringing with it some disturbance in the Money Market. We are a borrowing nation; we depend upon credit, but, notwithstanding the disturbances and complications, our Dominion, provincial and municipal securities have been disposed of with comparative ease. Why? Because other securities are out of favour and the public issues that Canada has offered are looked upon as among the best securities in the world. I am told that only a few days ago the Province of Alberta disposed of \$5,000,000 Debentures in London and New York at very satisfactory figures.

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On behalf of the Directors, I beg to thank you most heartily.

MR. JAFFRAY (Vice-President).—I am exceedingly obliged to you. It requires a deal of careful management and economy on the part of financial institutions to keep things in proper order during these troublous times. We in Canada are too fond of spending and are too little given to studying economy. I think that Canadians generally must look at the debt they owe and consider how they are going to pay it, and economise individually as well as collectively. I am sure the Imperial Bank will set a good example. I am very much indebted to you for your kindness.

THE PRESIDENT.—In my opening address I referred to the death of Sir William Whyte, and I ask you to join in a resolution of sympathy and condolence to Lady Whyte and her family.

The President moved, seconded by the Vice-President: "That the Shareholders of the Imperial Bank of Canada, assembled at their Thirty-Ninth Annual Meeting, desire to place on record their sense of the deep loss they have sustained through the death of Sir William Whyte, who was a Director of the Bank from 23rd May, 1906, until his lamented death on 14th April, 1914. Sir William, by his uprightness of character and his cheerful disposition, endeared himself to all who came in contact with him, and his sound judgment and business integrity made him a most valuable member of the Board. We desire to express to Lady Whyte and to other members of the family our most sincere and deep sympathy and condolence in their great affliction." (Carried.)

MR. J. A. M. AIKINS, K.C., M.P.—Mr. Vice-President: Mr. Small has already expressed, on behalf of the Shareholders present, and I am sure also of the Shareholders who

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are not here, the appreciation of the Shareholders for the way in which the Bank has been managed. We have had excellent Directors in the past—we have them now—but the man who made the Bank is the General Manager. He was present at the christening, and he selected, with the aid of the Directors, able assistants.

I have, therefore, much pleasure in moving: "That the thanks of the Shareholders be given to the General Manager, Assistant General Manager and the other Officers of the Bank for their attention to the interests of the Bank, and for the efficient performance of their respective duties."

MR. W. R. WADSWORTH.—Mr. President: I have very much pleasure in seconding the motion just read by Mr. Aikins. Many of the officers and the branch managers have been known to me for many years, and I can testify to their wide business experience. I make the request—and, I feel sure, I will be joined by a great many of the Shareholders, absent and present—that the President and Board of Directors shall not forget to treat their staff generously in the way of salaries, from the General Manager down to the cleaner, as in these days of high cost of living it is necessary that the executive officers and all the rest of the staff shall be able to keep up those appearances which the dignity of their positions demand. I hope I have not gone out of my way in making this request. (Carried.)

THE PRESIDENT.—Mr. Aikins and Mr. Wadsworth: I am sincerely obliged to you for the generous way in which you have alluded to the Staff. I think that in the management of the Bank the Staff must act as a concrete body, and not as a number of individuals. If we do not work together, we cannot do any good. Any one of the Staff should be as competent to reply to your generous resolution as another, and I know that Mr. Hay will be glad of an opportunity to express himself in suitable language. Thank-

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ing you in my own behalf, I shall now ask Mr. Hay to respond on his own behalf and on behalf of the other members of the Staff.

MR. E. HAY.—Mr. President and Gentlemen: On behalf of myself and of the Staff, I thank you all most sincerely for the kind way in which you have proposed and received this motion. Thanking you again.

The Scrutineers appointed at the meeting reported the following Shareholders duly elected Directors for the ensuing year:—Messrs. D. R. Wilkie, Honourable Robert Jaffray, William Ramsay (of Bowland, Stow, Scotland), Elias Rogers, J. Kerr Osborne, Peleg Howland, Cawthra Mulock, Honourable Richard Turner (of Quebec), Wm. Hamilton Merritt, M.D. (of St. Catharines), W. J. Gage, J. A. M. Aikins, K.C., M.P. (of Winnipeg), E. W. Cox.

The meeting then adjourned.

At a subsequent meeting of the Directors, Mr. D. R. Wilkie was re-elected President and the Honourable Robert Jaffray as Vice-President for the ensuing year.

